(c) The contribution made by agriculture, industry and service sectors to overall GDP growth rate during the first nine months of 1999-2000 in terms of per cent point contribution was 0.3 per cent, 1.8 per cent and 3.7 per cent respectively.

Suspension of action against FIIs

3313. SHRIMATI SARLA MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that he has issued directives to suspend the action to be taken by Income-Tax Department against the irregularities being committed by Foreign Institutional Investors only after a substantial decline on share market of India on 4th March;

(b) if so, the reasons therefor; and

(c) if not, what is meant by the statement made by him on 5th April stating that no further action would be taken by Income-Tax Department against these Foreign Institutional Investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) to (c) The benefit under Double Taxation Avoidance Convention between India and Mauritius which were being hitherto allowed to Mauritius-based investors were denied to a few Foreign Institutional Investors (FIIs) by the Assessing officers in Mumbai. This caused wide-spread apprehension and uncertainty amongst FIIS operating through Mauritius about the likely reopening of old assessments and tax treatment to investors under the Convention. Since the issue had wider ramifications on FII investment and Foreign Direct Investment (FDI) inflows into India, it was considered necessary to put on hold all action against the concerned investors, pending a detailed examination. The Central Board of Direct Taxes has subsequently issued a clarificatory circular on the relevant issues.

Introduction of two-tier Courts

3314. SHRI NANA DESHMUKH: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is a long pendency of cases, both civil and criminal, in various courts and the judgement is not delivered in the law suits before 15-20 years;